

PROPOSED RESOLUTION

Resolution W-5053
DWA

AGENDA ID #14086

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

DIVISION OF WATER AND AUDITS
Water and Sewer Advisory Branch

RESOLUTION W-5053
July 23, 2015

RESOLUTION

(RES. W-5053) COBB MOUNTAIN WATER COMPANY.
SEEKING AUTHORIZATION TO RECOVER LEAK REPAIR
COSTS IN THE AMOUNT OF \$2,898.

SUMMARY

By Advice Letter 40, filed on June 8, 2015, Cobb Mountain Water Company, a Class D water utility, is requesting to recover leak repair costs in the amount of \$2,898.

Cobb Mountain Water Company has incurred \$2,898 in expenses for leak repair costs that it has recorded in its Unanticipated Repair Cost Memorandum Account. Cobb Mountain Water Company is now seeking to recover this amount with a surcharge in the amount of \$45.90 per each of its sixty-three active service connections, to be collected over three years in eighteen payments of \$2.55 due at the time of its bimonthly billing periods. The Division of Water and Audits has reviewed Cobb Mountain Water Company's workpapers, invoices, and other supporting documentation to justify the recovery, and finds them reasonable. Thus, Cobb Mountain Water Company is authorized to implement the temporary surcharge as shown on the rate schedule attached in Appendix A of this resolution.

BACKGROUND

In Advice Letter (AL) 40, Cobb Mountain Water Company (CMWC) notified the Division of Water and Audits (Division) that it had been unable to locate the location of its leak and had hired the American Leak Detection Company to locate the source. The leak was found to be at a 4-inch water main running between two large fir trees. Due to the proximity of this space being constrained and root-bound, this water main had to be abandoned and relocated in its existing right-of-way easement.

PROPOSED RESOLUTION

Resolution W-5053
DWA

July 23, 2015

Accordingly, CMWC requested Cobb Area County Water District to assist in the relocation work. During this process, CMWC took this opportunity to install a 4-inch gate valve in the water main, which it booked as plant improvement under Work Order No. 135, and such costs are not included in this recovery request for leak repair costs. In addition, CMWC is not requesting recovery of its costs associated with locating the leak or its electric and chemical expenses in this recovery request.

DISCUSSION

CMWC has incurred \$2,898 in expenses for leak repair costs, and it has recorded these expenses into its authorized Unanticipated Repair Cost Memorandum Account (URCMA). CMWC is requesting to recover \$45.90 per service connection from each of its 63 active service connections, to be collected over 18 payments of \$2.55 due at the time of its bimonthly billing periods. The Division has reviewed CMWC's workpapers, invoices, and other supporting documentation to justify the recovery, and finds them reasonable. CMWC should be authorized to implement the temporary surcharge as shown on the rate schedule attached in Appendix A of this resolution.

NOTICE AND PROTEST

AL 40 was served on June 8, 2015, in accordance with General Order 96-B, including adjacent utilities and persons on the general service list. Customers were also notified of this surcharge request on June 30, 2015 through direct mailing.

No protests were received.

SAFETY

As this resolution authorizes a surcharge for recovery of amounts recorded in a memorandum account, there are no safety implications.

COMMENTS

This is an uncontested matter that pertains solely to a water corporation. Accordingly, pursuant to Public Utilities Code Section 311(g)(3), this resolution is exempt from the 30-day period for public review and comment.

PROPOSED RESOLUTION

Resolution W-5053
DWA

July 23, 2015

FINDINGS AND CONCLUSIONS

1. Cobb Mountain Water Company (CMWC) has incurred \$2,898 in expenses for leak repair costs that it has recorded in its Unanticipated Repair Cost Memorandum Account (URCMA).
2. CMWC is now seeking to recover this amount with a surcharge in the amount of \$45.90 per each of its sixty-three active service connections, to be collected over three years in eighteen payments of \$2.55 due at the time of its bimonthly billing periods.
3. The Division of Water and Audits (Division) has reviewed CMWC's workpapers, invoices, and other supporting documentation to justify the recovery, and finds them reasonable.
4. CMWC should be authorized to implement the temporary surcharge as shown on the rate schedule attached in Appendix A of this resolution.

PROPOSED RESOLUTION

Resolution W-5053
DWA

July 23, 2015

THEREFORE IT IS ORDERED THAT:

1. Authority is granted under Public Utilities Code, Section 454, for Cobb Mountain Water Company to file a supplement to Advice Letter No. 40-A to incorporate the rate schedule attached in Appendix A, and to concurrently cancel its presently effective rate schedule. The effective date of the revised rate schedule shall be 5 days after the date of filing.
2. Cobb Mountain Water Company is authorized to implement the temporary surcharge as shown in the rate schedule attached in Appendix A.
3. This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed, and adopted at the Public Utilities Commission of the State of California on July 23, 2015; the following Commissioners voting favorably thereon:

TIMOTHY J. SULLIVAN
Executive Director

PROPOSED RESOLUTION

Resolution W-5053
DWA

July 23, 2015

APPENDIX A

Cobb Mountain Water Company

Schedule No. 1A
(Continued)

SPECIAL CONDITIONS (continued)

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| 5. | As authorized by the California Public Utilities Commission, all bills are subject to a surcharge of \$45.90, to be collected over three years in 18 payments of \$2.55 due at the time of bimonthly (every other month) billing beginning the effective date of Advice Letter No. 40-W, for unanticipated leak detection and repair expense. | (N)

(N) |
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END OF APPENDIX A

Cobb Mountain Water Company

Advice Letter 40

Service List

Cobb Area County Water District
P.O. Box 284
Cobb, CA 95426

Lake County Environmental Health
922 Bevins Ct.
Lakeport, CA 95453

Jack Hawks, Executive Director
CWA
601 Van Ness Ave, Ste. 2047
San Francisco, CA 94102